



JENNIFER M. GRANHOLM  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LABOR & ECONOMIC GROWTH  
LANSING

DAVID C. HOLLISTER  
DIRECTOR

### **Summary of House Bills 4206-9 (As Introduced)**

**Topic:** Building Official Conflict of Interest  
**Sponsor:** Representative Stakoe  
**Co-Sponsors:** None listed  
**Committee:** House Local Government and Urban Policy

**Date Introduced:** February 3, 2005

**Date Enrolled:**

**Date of Analysis:** February 7, 2005

House Bill 4206 amends Section 10 of the Building Officials and Inspectors Registration Act. The other bills amend the State Plumbing Act, the Electrical Administrative Act, and the Forbes Mechanical Contractors Act by inserting language referring to Section 10 of the Building Officials and Inspectors Registration Act.

The new language in House Bill 4206 prohibits conflict of interest and defines conflict of interest as the following:

- A registrant is directly or indirectly connected with a business in which he or she is employed or acting as an inspector, plan reviewer, or building official regarding that business.
- A registrant has an interest directly or indirectly in any written or verbal contract affecting the construction of any building or structure or the furnishing of materials, appliances, equipment, or labor affecting the construction of the building or structure.
- A registrant has a personal ownership interest in all, or a portion of, the business entity performing the work in the construction of a building or structure for which the registrant is making decisions in the administration and enforcement of codes or standards.
- A registrant conducts inspections in a construction project in which the registrant or the construction company employing him or her sought work.

The bill requires an enforcing agency to report to the chief elected official a claim of conflict of interest within 30 days after it is reported to or identified by

the enforcing agency. The chief elected official is required to conduct an investigation and file a report of its findings with the Bureau of Construction Codes and Fire Safety within 30 days after receiving the report.

If the enforcing agency's investigation determines a conflict of interest, it is required to remove the registrant from responsibility for administration and enforcement of the code on the specific project in which a conflict of interest has been determined.

Upon receipt of information that an enforcing agency has failed to investigate a facially valid conflict of interest claim or has failed to take appropriate action, the Bureau of Construction Codes is required to conduct a performance evaluation of the enforcing agency and report its findings in writing to the State Construction Code Commission. The bill allows a person to file a complaint with the bureau requesting a performance evaluation if he or she believes the enforcing agency has failed to investigate or take the appropriate action.

The bills are tie-barred.